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KHPA Reaches Agreement to Preserve Customer Service Operation *Call Center for Providers, Beneficiaries to Remain Open*

(TOPEKA) – Kansas health care providers and beneficiaries in the Medicaid and HealthWave programs will continue to have access to a toll-free number to resolve payment and billing issues, thanks to an agreement between the Kansas Health Policy Authority and its fiscal agent contractor.

HP Enterprise Services, formerly known as EDS, serves as the fiscal agent contractor for the Kansas Medicaid and HealthWave programs. In that role, the company processes claims for payments and reviews those claims for accuracy. It also conducts a number of federally mandated reviews to ensure compliance with federal Medicaid regulations.

In November, in response to budget cuts ordered by Gov. Mark Parkinson, KHPA announced plans to reduce the contract with HP by, among other things, cancelling a portion of the contract that calls on HP to operate a customer service call center. As part of those cuts, KHPA was ordered to reduce administrative expenditures by \$1.13 million in State General Fund expenditures. It was estimated that eliminating the call center would save \$250,148.

However, after issuing a 30-day notice of intent to cancel that portion of the contract, representatives of HP offered an alternative that would allow the call center to remain open. After successful negotiations between the agency and the company, both parties agreed to a contract amendment that includes the following:

- HP agrees to accept a 10 percent reduction in the fixed monthly price paid for each enrollee in Medicaid and the Children's Health Insurance Program (CHIP), and a 5 percent reduction in the fixed price paid for each claim processed.
- HP will reallocate resources within its operation in order to absorb those reductions while keeping the customer service call center open.
- In exchange, KHPA has exercised an option to extend HP's contract for two years, from 2011 to 2013, and has added two additional one-year extension options for 2014 and 2015.

(more)

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KHPA Acting Medicaid Director Dr. Barb Langner expressed the agency's thanks to HP for helping resolve the customer service issue.

“This call center is vitally important, both to the health care providers who serve Medicaid patients as well as Medicaid beneficiaries,” Langner said. “Just as one example, when a pharmacist has a patient at the counter who's trying to get a prescription filled and, for whatever reason, the claim doesn't go through, that situation needs to get resolved right away. You don't want to send that person home without their medications.”

The call center at HP receives an average of 250,000 calls per year. The majority of those calls involve issues that can be resolved through an automated system, but many require the assistance of a live individual who can look up an individual's account records or help interpret regulations about covered services and procedures.

In addition to the call center operated by HP, which handles issues mainly related to billing and payments, KHPA also operates another call center for issues involving eligibility and enrollment in Medicaid and HealthWave. That call center is managed by KHPA's Clearinghouse contractor, Policy Studies Inc. (PSI). The amended contract between KHPA and HP Enterprise Services does not affect the operation of the Clearinghouse call center.